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Message Text

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ACTION EB-08

INFO OCT-01 ARA-14 ISO-00 AID-05 CIAE-00 COME-00
FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04
OPIC-06 SP-02 LAB-04 SIL-01 OMB-01 AGRE-00 PA-02
PRS-01 /072 W
----------074420 290510Z /20
R 282116Z SEP 77
FM AMEMBASSY PANAMA
TO AMEMBASSY SAN JOSE
INFO SECSTATE WASHDC 3894

UNCLAS PANAMA 7027

SAN JOSE FOR AGATT

E.O. 11652: N/A
TAGS: EAGR, PN
SUBJECT: PANAMA COFFEE SHORTAGE

1. THERE HAS BEEN A COFFEE SHORTAGE IN PANAMA FOR SOME TIME; BUT, ACCORDING TO REPORTS IN THE LOCAL PRESS, THE GOVERNMENT HAS ONLY NOW OFFICIALLY RECOGNIZED THE PROBLEM. PUBLIC PRESSURE AND PROTEST BROUGHT ON BY THE COFFEE DROUGHT HAS INCREASED IN THE LAST SEVERAL WEEKS, FORCING THE GOVERNMENT TO TAKE ACTION.

2. EDITORIALS HAVE LAMBASTED LOCAL PRODUCERS FOR HOLDING BACK THEIR CROP IN AN EFFORT TO OBTAIN DOMESTIC PRICES THAT WOULD EQUAL THOSE OF THE EXPORT MARKET.COFFEE SPECULATION HAS ALSO BEEN CHARACTERIZED AS UNPATRIOTIC AND DESTABILIZING. THE LATTER CHARGE, LEVELED BY THE PRO-GOP CRITICA, MAINTAINED THAT THE NATIONAL COFFEE ASSOCIATION WAS ATTEMPTING TO ILLEGALLY UNDERMINE THE GOP BY THESE TACTICS, AND THAT THE WITHHOLDING OF SUPPLIES CAUSED UNNECESSARY PROBLEMS FOR THE PUBLIC IN A TIME OF NATIONAL STRUGGLE.

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3. THE COFFEE ASSOCIATION HAS VEHEMENTLY DENIED THE CHARGES OF SPECULATION AND PLACED SOME OF THE BLAME FOR THE RUMORS ON THE OFFICE OF PRICE REGULATION.

4. AFTER ALL THIS PUBLIC PRESSURE AND NAME-CALLING, THE OFFICE OF PRICE REGULATION AND THE COFFEE ASSOCIATION FINALLY AGREED TO A TENTATIVE PRICE FOR EXPORT COFFEE

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OF $90 A QUINTAL. THE DOMESTIC PRICE IS TO REMAIN UNCHANGED. THE EXPORTERS HAVE CLAIMED THAT THEY ARE SUBSIDIZING THE ARTIFICIALLY LOW DOMESTIC PRICE OF $.90 PER POUND AND THAT THEY NEED THE HIGHER PRICE TO CONTINUE TO SUPPLY DOMESTIC DEMAND. THEY ARE STILL UNHAPPY AND PROMISE TO FIGHT FOR A PRICE OF $100 PER QUINTAL.

5. THERE IS STILL, HOWEVER, SPECULATION THAT THE SHORTAGE WILL CONTINUE AS LONG AS COMESTIC PRICES ARE LESS THAN THOSE IN THE EXPORT MARKET, EVEN WITH THE NEW HARVEST IN NOVEMBER. THIS SITUATION, IT IS SAID, MAKES FOR THE CONTINUED SMUGGLING AND WITHHOLDING OF COFFEE SUPPLIES BY THE PRODUCERS.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COFFEE, PRESS COMMENTS, PRODUCTION, DROUGHTS
Control Number: n/a
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Sent Date: 28-Sep-1977 12:00:00 am
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Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
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Executive Order: N/A
Errors: N/A
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From: PANAMA
Handling Restrictions: n/a
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Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
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Retention: 0
Review Action: RELEASED, APPROVED
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Review Release Date: n/a
Review Release Event: n/a
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Review Withdrawn Fields: n/a
SAS ID: 1103181
Secure: OPEN
Status: NATIVE
Subject: PANAMA COFFEE SHORTAGE
TAGS: EAGR, PN
To: SAN JOSE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/97b13b3b-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009